

1 SENATE BILL 149

2 **48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008**

3 INTRODUCED BY

4 Steve Komadina

5  
6  
7  
8  
9  
10 AN ACT

11 RELATING TO TAXATION; EXPANDING THE DEFINITION OF A  
12 MUNICIPALITY ELIGIBLE TO IMPOSE THE MUNICIPAL HIGHER EDUCATION  
13 FACILITIES GROSS RECEIPTS TAX.

14  
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 Section 1. Section 7-19D-16 NMSA 1978 (being Laws 2007,  
17 Chapter 148, Section 1) is amended to read:

18 "7-19D-16. MUNICIPAL HIGHER EDUCATION FACILITIES GROSS  
19 RECEIPTS TAX.--

20 A. The majority of the members of the governing  
21 body of an eligible municipality may impose by ordinance an  
22 excise tax at a rate not to exceed one-fourth of one percent of  
23 the gross receipts of a person engaging in business in the  
24 municipality for the privilege of engaging in business. The  
25 tax may be imposed in increments of one-sixteenth of one

.171232.1

underscored material = new  
[bracketed material] = delete

underscoring material = new  
[bracketed material] = delete

1 percent not to exceed an aggregate rate of one-fourth of one  
2 percent. The tax shall be imposed for a period of not more  
3 than twenty years from the effective date of the ordinance  
4 imposing the tax.

5 B. The tax imposed pursuant to this section may be  
6 referred to as the "municipal higher education facilities gross  
7 receipts tax".

8 C. The governing body, at the time of enacting an  
9 ordinance imposing a rate of tax authorized in Subsection A of  
10 this section, shall dedicate the revenue only for:

11 (1) acquisition, construction, renovation or  
12 improvement of facilities of a four-year post-secondary public  
13 educational institution located in the municipality and  
14 acquisition of or improvements to land for those facilities; or

15 (2) payment of municipal higher education  
16 facilities gross receipts tax revenue bonds issued pursuant to  
17 Chapter 3, Article 31 NMSA 1978.

18 D. An ordinance imposing any increment of the  
19 municipal higher education facilities gross receipts tax shall  
20 not go into effect until after an election is held and a  
21 majority of the voters of the municipality voting in the  
22 election votes in favor of imposing the tax. The governing  
23 body shall adopt a resolution calling for an election on the  
24 question of imposing the tax at the next regular municipal  
25 election. The question shall be submitted to the voters of the

.171232.1

underscored material = new  
[bracketed material] = delete

1 municipality as a separate question. If a majority of the  
2 voters voting on the question approves the ordinance imposing  
3 the municipal higher education facilities gross receipts tax,  
4 the ordinance shall become effective in accordance with the  
5 provisions of the Municipal Local Option Gross Receipts Taxes  
6 Act. If the question of imposing the municipal higher  
7 education facilities gross receipts tax fails, the governing  
8 body shall not again propose the imposition of any increment of  
9 the tax for a period of one year from the date of the election.

10 E. For the purposes of this section, "eligible  
11 municipality" means:

12 (1) a municipality that has a population  
13 greater than fifty thousand according to the most recent  
14 federal decennial census and that is located in a class B  
15 county having a net taxable value for rate-setting purposes for  
16 the 2006 property tax year or any subsequent year of more than  
17 two billion dollars (\$2,000,000,000); and

18 (2) any municipality that qualified under  
19 Paragraph (1) of this subsection prior to January 1, 2008."

20 Section 2. EFFECTIVE DATE.--The effective date of the  
21 provisions of this act is July 1, 2008.

22 - 3 -  
23  
24  
25